

February 27, 2004

Mr. Thomas M. Dorman Executive Director Public Service Commission 211 Sower Boulevard Frankfort, KY 40602

Re: Case No. 2003-00380

Dear Mr. Dorman:

Please find enclosed for filing with the Commission in the above-referenced case a report by East Kentucky Power Cooperative, Inc. of efforts to mitigate local impacts during the construction of the Spurlock-Flemingsburg-Goddard transmission line, as required by the Commission's order in this case dated December 30, 2003.

Very truly yours,

Charles A. Lile

Senior Corporate Counsel

Enclosures

Cc: Parties of Record

Bob Amato

Progress Report for Spurlock – Flemingsburg Right of Way Activities – February 27 2004

Overview

There are 73 tracts of land on which negotiated rights will be necessary to construct the project. The following tract statistics describe our progress to date.

| Signed easements Negotiations in progress Contacted Trying to contact | 7 | (negotiations not yet substantially started) (attempts to contact owner not yet successful) |
|---|---|---|
| | | (anompte to contact owner not yet successful) |

Mitigation

Some centerline location requests made by property owners at the EKPC sponsored open house held May 22, 2003 were evaluated and route adjustments were made when the initial centerline location was established. There were 4 tracts involved in this early mitigation.

After the centerline location was established, requests have also been made by property owners as to the location of structures and/or the centerline. A summary is listed below.

Signed easement group

2 structure location adjustments were requested and agreed upon

Negotiations in progress group

- 1 structure location adjustment has been requested pending
- 1 centerline relocation was requested, but not accommodated because it increased burden on neighboring properties
- 1 centerline relocation that was later withdrawn by owner because additional structures and guys would have been required

Other requests may be made by property owners as negotiations proceed, and will be reflected in future reports.

Centerline Impact - highway construction project

EKPC recently received authorization from the Kentucky Department of Transportation to proceed with plans to relocate our existing Spurlock – Avon 345kV transmission line as required for an upcoming highway construction project in Mason County. EKPC was pursuing two route alternatives for this section of the line and had purchased 4 options for transmission line easements on the alternate route in order to be prepared to meet project schedules. The alternate route (which was to be followed in the event that the highway construction project was postponed or cancelled) has now been abandoned. It impacted a total of 15 tracts.